Texas Department of Insurance, Division of Workers' Compensation
Medical Fee Dispute Resolution, MS-48
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1609

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Requestor's Name and Address: SURGERY SPECIALTY HOSPITALS OF AMERICA/SE HOUSTON CAMPUS 4301 VISTA ROAD PASADENA TEXAS 77504	MFDR Tracking #: M4-09-7495-01
Respondent Name and Box #: TEXAS MUTUAL INSURANCE COMPANY REP BOX #54	

PART II: REQUESTOR'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION

Requestor's Position Summary "…Provider did not request that the implantables be paid separately, Carrier should have reimbursed Provider pursuant to section 134.403 (f)(1)(A)…Carrier's payment of $5,030.72 is still less than the amount that Surgery Specialty Hospitals of America should have been reimbursed if it had requested that implantables be reimbursed separately under 134.403(f)(1)(B), specifically, $33,269.89. It is unclear what methodology Carrier used to calculate reimbursement, but it is clear that the amount reimbursed is insufficient under the Fee Guideline…"

Principle Documentation:

1. DWC 60 package
2. Hospital or Medical Bill(s)
3. EOB(s)
4. Medical Reports
5. Total Amount Sought $20,701.00

PART III: RESPONDENT'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION

Respondent's Position Summary: "…It is Texas Mutual's position that the payment made is in accordance with the Outpatient Hospital Facility Fee Guideline (Rule 134.403 (a)(1)(f); therefore, no further payment is due for the outpatient treatment rendered on 4/15/2008…The requestor did not request separate reimbursement for implants with its billing; therefore, the Medicare facility reimbursement amount plus any applicable outlier payment is multiplied by 200%, It is Texas Mutual's position that payment is consistent with Rule 143.403 Hospital Facility Fee Guidelines for Outpatient Services; therefore, no further payment is due…Given the above, Texas Mutual believes no further payment is due…"

Principle Documentation:

1. DWC 60 package

PART IV: SUMMARY OF FINDINGS

Date(s) of Service	Services in Dispute	Calculation	Amount in Dispute	Amount Due
04/15/08	Hospital Outpatient Services	$2,346.34 (APC) + $9,618.39 (Outlier Amount) = $11,964.73 (OPPS) x 200% = $23,929.46 - $5030.72 (Total paid by Respondent) = $18,898.74	$20,701.00	$18,898.74
			Total Due:	$18,898.74

PART V: REVIEW OF SUMMARY, METHODOLOGY AND EXPLANATION

Texas Labor Code Section 413.011(a-d), titled *Reimbursement Policies and Guidelines*, and Division Rule §134.403, titled ***Hospital Facility Fee Guideline – Outpatient,*** effective for medical services provided on or after March 1, 2008, set out the reimbursement guidelines for Hospital outpatient services.

This dispute was filed in the form and manner as prescribed by 28 TAC §133.307 and is eligible for Medical Dispute Resolution under 28 TAC §133.305 (a)(4).

1. The services listed in Part IV of this decision were denied or reduced by the Respondent with the following reason codes:
   Explanation of benefits with the listed date of audit 07/09/2008
   - CAC-W1 — Workers Compensation State Fee Schedule Adjustment.
   - 370 — This Hospital Outpatient allowance was calculated according to the APC rate plus a markup.
   - 618 — The value of this procedure is included in the value of another procedure performed on this date.
   - 619 — The procedure/supply was not sufficiently identified and/or quantified.
   - 626 — The non-facility portion has already been processed. This allowance is for the facility portion.

   Explanation of benefits with the listed date of audit 10/28/2008
   - ** — Additional payment amount of $37.30 added to line 1 to allow payment in excess of charged amount in accordance with Rule 134.403(E) for Line 8. No payment allowed for actual services billed on Line 1. Reimbursement made in accordance with Rule 134.403 (f)(1). Separate reimbursement for implantables was not requested in accordance with Rule 134.403 (G).
   - CAC-W1 — Workers Compensation State Fee Schedule Adjustment.
   - CAC-89 — Professional fees removed from charges.
   - 370 — This Hospital Outpatient allowance was calculated according to the APC rate plus a markup.
   - 618 — The value of this procedure is included in the value of another procedure performed on this date.
   - 626 — The non-facility portion has already been processed. This allowance is for the facility portion.
2. Rule 134.403 (e) states in pertinent part, "Regardless of billed amount, reimbursement shall be:
   (1) the amount for the service that is included in a specific fee schedule set in a contract that complies with the requirements of Labor Code 413.011; or
   (2) if no contracted fee schedule exists that complies with Labor Code 413.011, the maximum allowable reimbursement (MAR) amount under subsection (f), including any applicable outlier payment amounts and reimbursement for implantables;…"
3. Pursuant to Rule 134.403(f), "The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the *Federal Register*. The following minimal modifications shall be applied.
   (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:
      (A) 200 percent; unless
      (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent.
4. Upon review of the documentation submitted by the requestor and respondent, the Division finds that:
   (1) No contract exists;
   (2) MAR can be established for these services; and
   (3) Separate reimbursement for implantables was *NOT* requested by the requestor.
5. Consequently, reimbursement will be calculated in accordance with Rule §134.403 (f)(1)(A) as follows:

APC Value	Outlier Payment	Separate Reimbursement for implantables was NOT requested	APC + Outlier Payment X 200%	Subtract Amount Paid by Respondent	Results in additional Amount Due to Requestor
$2,346.34	$9,618.39	$0.00	$23,929.46	$5,030.72	$18,898.74

6. Based upon the documentation submitted by the parties and in accordance with Texas Labor Code Sec. 413.031 (c), the Division concludes that the requestor, Surgery Specialty Hospitals of America/SE Houston Campus, is due additional payment. As a result, the amount ordered is $18,898.74.

PART VI: GENERAL PAYMENT POLICIES/REFERENCES

Texas Labor Code Sec. §413.011(a-d), §413.031 and §413.0311
28 TAC Rule §134.403
28 TAC Rule §133.307
28 TAC Rule §133.305

PART VII: DIVISION DECISION

The Division hereby ORDERS the respondent to remit to the requestor the amount of $18,898.74 plus accrued interest per Rule §134.130, due within 30 days of receipt of this order.

Authorized Signature	Medical Fee Dispute Resolution Officer	Date

Authorized Signature	Medical Fee Dispute Resolution Manager	Date

PART VIII: : YOUR RIGHT TO REQUEST AN APPEAL

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **20** (twenty) days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with other required information specified in Division Rule 148.3(c).

Under Texas Labor Code Section 413.0311, your appeal will be handled by a Division hearing under Title 28 Texas Administrative Code Chapter 142 Rules if the total amount sought does not exceed $2,000. If the total amount sought exceeds $2,000, a hearing will be conducted by the State Office of Administrative Hearings under Texas Labor Code Section 413.031.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.